

Health Benefits Fund
For the period ended June 30, 2003
(amounts expressed in thousands)

	FY2002 CAFR	FY2003			
		Adopted Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues					
City Medical Plans	\$ 128,265	\$ 145,419	\$ 145,057	\$ 145,057	\$ 145,057
City Dental Plans	6,837	7,551	7,350	7,350	7,350
City Life Insurance Plans	5,596	5,682	5,789	5,789	5,789
Dependent Care Reimbursement	144	150	144	144	144
Total Operating Revenues	<u>140,842</u>	<u>158,802</u>	<u>158,340</u>	<u>158,340</u>	<u>158,340</u>
Operating Expenses					
City Medical Plan Claims	128,262	142,722	143,314	143,314	143,314
City Dental Plan Claims	6,833	7,551	7,346	7,346	7,346
City Life Insurance Plans	5,596	5,682	5,788	5,788	5,788
Administrative Costs	2,633	3,257	2,588	2,588	2,588
Dependent Care	144	150	144	144	144
Total Operating Expenses	<u>143,468</u>	<u>159,362</u>	<u>159,180</u>	<u>159,180</u>	<u>159,180</u>
Operating Income (Loss)	(2,626)	(560)	(840)	(840)	(840)
Nonoperating Revenues (Expenses)					
Interest Income	1,017	510	575	575	575
Prior Year Expense Recovery	<u>1,204</u>	<u>50</u>	<u>268</u>	<u>268</u>	<u>268</u>
Total Nonoperating Rev (Exp)	<u>2,221</u>	<u>560</u>	<u>843</u>	<u>843</u>	<u>843</u>
Net Income (Loss)	(405)	0	3	3	3
Retained Earnings, Beginning of Year	<u>1,525</u>	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>
Retained Earnings, End of Year	\$ <u><u>1,120</u></u>	\$ <u><u>1,120</u></u>	\$ <u><u>1,123</u></u>	\$ <u><u>1,123</u></u>	\$ <u><u>1,123</u></u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Point of Service (POS) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.